



Department of Justice

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District of Delaware

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**FLORIDA MAN SENTENCED TO THREE YEARS IMPRISONMENT
and \$1.49 MILLION FORFEITURE IN SECURITIES FRAUD CASE**

David C. Weiss, United States Attorney for the District of Delaware, announced that late on Wednesday, September 8, 2010, the Honorable Sue L. Robinson sentenced Gerard D’Amaro, age 39, of Lighthouse Point, Florida, to a term of three (3) years imprisonment, and further ordered D’Amaro to forfeit \$1,490,610 to the United States for his role in a securities fraud and money laundering scheme.

The federal charges against D’Amaro and others were unsealed in May 2009. Those charges were part of a two-year securities fraud investigation into the manipulation of so-called “penny stocks” traded through the over-the-counter stock markets. The fraud scheme described in the indictment involved efforts to manipulate the prices of publicly traded stocks to create the illusion of market interest in those securities. The goal was to induce the investing public to purchase a stock based on the artificial trading volume, and thus increase the price of the stock. The defendant and his co-conspirators then were able to sell off significant holdings in these stocks, generating millions of dollars in proceeds.

In Mr. D’Amaro’s case, the securities involved included Playstar Corporation (stock ticker: PLYCF) and INCA Designs, Inc. (stock ticker: IDGI). According to documents filed in

court, the fraud scheme involving PLYCF alone generated in excess of \$1.3 million in illicit gains.

The investigation, which began in 2007, has been pursued jointly by local agents with United States Immigration and Customs Enforcement; the Internal Revenue Service, Criminal Investigation; and the Delaware State Police; with assistance from local and federal investigators in Orange County, California, Ft. Lauderdale, Florida, and New York City. A separate civil action has been brought by the Securities and Exchange Commission. U.S. Attorney Weiss praised the cooperative law enforcement effort that resulted in these charges, and thanked the SEC for its willingness to provide invaluable assistance to the federal authorities.

“As I stated when this case was indicted, the integrity of our nation’s public stock markets requires protection from those greedy few who engage in market manipulation at the expense of many,” said U.S. Attorney Weiss. “Especially in these challenging economic times, the United States Attorney’s Office is committed to vigorously prosecuting those who continue to undermine our system of capital markets by committing securities fraud. This sentence should demonstrate the serious consequences facing those who commit financial frauds in this District.”

Eric Hylton, Special Agent-in-Charge of Internal Revenue Service - Criminal Investigation stated: "The sentencing imposed on Gerard D'Amato clearly demonstrates the seriousness of money laundering and other financial crimes. These activities pose a significant threat to our nation's economy and IRS-CI is uniquely qualified to follow the flow of money. We will continue to devote our financial expertise to investigating these types of crimes."

“People have attempted to manipulate and exploit financial systems since society created them, said John P. Kelleghan, Special Agent-in-Charge, of the ICE Office of Homeland Security Investigations in Philadelphia. One of ICE’s priorities is to work with our law enforcement partners to protect the public and the integrity of our nation’s financial system.”

The case was prosecuted by AUSA Keith M. Rosen, Chief of the U.S. Attorney's Office
Criminal Division, and AUSA Shannon T. Hanson.

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